

## EXPLANATORY STATEMENT

### INTERNATIONAL ORGANIZATIONS (PRIVILEGES AND IMMUNITIES) ACT 1963 - ASIAN DEVELOPMENT BANK (PRIVILEGES AND IMMUNITIES) REGULATIONS (AMENDMENT)

Statutory Rules 1983 No.133 Issued by the Authority of the  
Minister of State for Foreign Affairs

The purpose of these Regulations is to accord to persons serving on committees, and participating in the work, of the Asian Development Bank (ADB) and those performing whether alone or jointly with other persons, a mission on behalf of the ADB, exemption from tax to which they would otherwise be liable on income paid to them by the ADB.

The ADB is an international development institution created in 1966 under the auspices of the United Nations Economic and Social Commission for Asia and the Pacific, then known as the United Nations Economic Commission for Asia and the Far East. Its main role is to promote the economic and social progress of its developing member countries by lending funds and providing technical assistance.

The Agreement Establishing the Asian Development Bank came into force generally on 22 August 1966 and it came into force for Australia on 19 September 1966. The ADB has members from within and outside the region, including both developing and developed countries. Its Headquarters are in Manila.

2.

When Australia became a Party to the Agreement Establishing the ADB, it agreed, as an obligation of membership, to accord the ADB and certain persons associated with it a range of privileges and immunities. The Asian Development Bank (Privileges and Immunities) Regulations were made on 29 December 1967 under the International Organizations (Privileges and Immunities) Act 1963 (the Act) in order to implement this obligation.

One aspect of the Agreement Establishing the ADB, however, could not be implemented in the Regulations because the Act did not confer the authority to do so. The Act did not authorize the making of Regulations exempting from Australian income tax the class of persons usually described as experts of the organization.

The Act was amended in 1982 (No.4 of 1982, Section 6) and it now authorizes the making of Regulations exempting experts of an organization to which the Act applies from Australian income tax.

These Regulations have the effect of exempting from Australian income tax the salary and emoluments paid by the ADB to persons serving on a committee, or participating in the work, of the ADB or performing, whether alone or jointly with other persons, missions on behalf of the ADB. Such persons are usually described as experts.

**3.**

The exemption does not to apply to residents of Australia in relation to income earned in Australia unless the expert is not an Australian citizen and came to Australia solely for the purpose of performing his duties as an expert of the ADB.

Statutory Rules No. 106/82